

Corporate Office:

1720 N. Pleasantburg Drive
Greenville, South Carolina 29609
Phone: (864) 370-0213
Fax: (864) 370-0215



A Management/Technical Consulting Practice

www.HGP-Inc.com

2005-191-E

West Coast Office:

P.O. Box 18540
Reno, Nevada 89511
Phone: (775) 851-1532
Fax: (864) 370-0215

May 1, 2008

Ms. Jocelyn Boyd
Deputy Clerk
South Carolina Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211

Subject: Pre-Qualified RFP List

Dear Ms. Boyd,

Please let this letter serve as an introduction to my firm, Hawks, Giffels & Pullin (HGP), Inc. We are a nationally recognized management and technical consulting firm based in Greenville, South Carolina, with west coast offices in Reno, Nevada.

We have contacted David Butler about being put on a pre-qualified RFP list, and he suggested we contact you. Mr. Butler stated that there are currently no Requests for Proposals (RFP's) available through the South Carolina PSC but that you may be considering establishing a pre-qualified RFP list in the near future. We feel that our company is well qualified to be placed on the list.

HGP has been in business providing technical and management consulting to the energy industry for the last twenty-three years (23) years. Some of HGP's major practice areas include: Nuclear Operations and Maintenance, Engineering and Licensing support, Regulatory Affairs and Rate Case Management, Mergers and Acquisitions (M&A), Economic Decision Modeling, Operational and Technical Audits, Risk Analysis, Supply Chain Management, and other Energy Support Services.

HGP recently completed a project with the District of Columbia PSC (DCPSC) to evaluate and provide recommendations regarding the filing made by a regulated utility. And previously, HGP was involved in a project to assist the State of Nevada in their investigation of the alleged western market manipulation by energy companies that may have adversely impacted businesses and residents of Nevada.

I have attached for your review and future reference a copy of our qualifications. If you have any questions or need additional information, please feel free to contact me at (864) 370-0213 or GERdmann@HGP-Inc.com.

Very truly yours,

Garth Erdmann

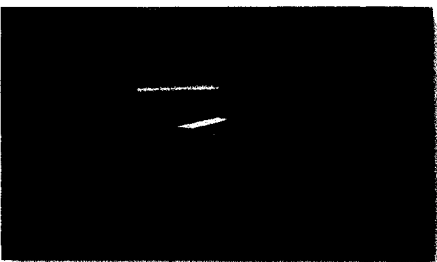
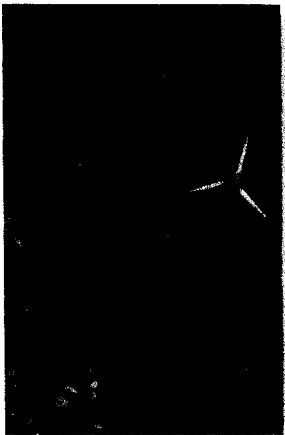
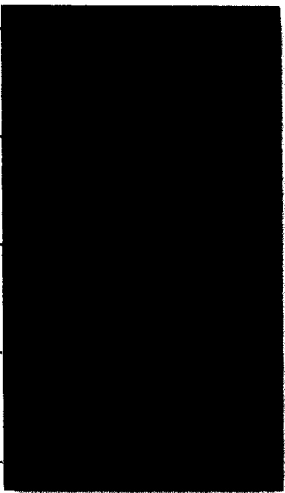
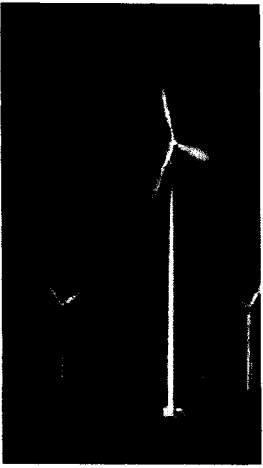
Senior Consultant

cc: F. Giffels - CEO
File Marketing\2008\correspondence\J.Boyd 080501



Hawks, Giffels & Pullin (HGP), Inc.

"Dedicated to the Pursuit of our Client's Success"
since 1986





A Management/Technical Consulting Practice

***Dedicated To The Pursuit
of Our Client's Success***



A Management/Technical Consulting Practice

The History of HGP, Inc.

Hawks, Giffels and Pullin (HGP), Inc. was formed in 1986 to provide the highest quality consulting services to a variety of industries. It operates as a closely held Management/Technical Consulting Firm headquartered in **Greenville, South Carolina**, a west coast regional office in **Reno, Nevada**, and other offices established based on client/project and market requirements. HGP has developed a consulting staff with a broad experience base and qualifications that support the unique and demanding commitments of our clients. HGP's staff consists of officers from other management consulting firms, officer and senior managers from electric utilities, directors from large architectural engineering construction firms, design engineers, senior CPAs, accountants and financial personnel, MIS personnel, and a highly motivated administrative staff. The Company has continued to grow by adding dedicated and competent professionals, most with advanced degrees, who share a zest for work, career and life.

A Culture Dedicated to Our Clients' Success

The Company was formed on the belief that by putting the client's success first, HGP's success will follow. Each of HGP's Principals also share a number of other common philosophies, namely: an **enthusiastic** desire to work on challenging projects; a **pragmatic** approach toward solving problems by suggesting and implementing solutions which are **creative, imaginative, and practical**; **respect** for our clients, their people and their problems; and placing **honesty and integrity** foremost in the company's criteria for all business decisions. The ability to complete a **successful client assignment** means not only **accomplishing a quality** assignment **on schedule** and **within budget**, but also building a reputation wherein HGP has established lasting interpersonal and business relationships. HGP's fundamental belief is that **people** build companies and keep established companies successful. HGP professionals and client professionals working together can quickly navigate the road to success.

Higher Goals Performed



A Management/Technical Consulting Practice

Representative List of Clients

ACA Joint Venture	McLin Burnsed Morrison Johnson Newman & Roy
Allegheny Electric Cooperative	McNeil, Leddy, Sheahan
Allegheny Power	Matthews & Branscomb
Akerman, Senterfitt & Eidson	Menasha, City of
Asea Brown Boveri-Combustion Engineering	Merrill Lynch
Austin, City of	Michigan Power Company
Baker & Botts	Midland Cogeneration Venture
Ballard, Sphar, Andrews, & Ingersoll	Missouri Public Service
Baltimore Gas & Electric Company	Moore & Van Allen, PLLC
Brown & Root	National Grid
Burlington Electric	Nebraska Public Power District
Carolina Power & Light Company	New Century Energies
Central Hudson Gas & Electric	Niagara Mohawk Power Corporation
Centrale Thermique-Jorf Lasfar	Oakwood Homes
CMS Energy	Ogletree, Deakins, Nash, Smoak & Stewart
CMS Generation	Pacific Enterprises
Coopers & Lybrand	Pacific Gas & Electric
Consumers Power Company	PanEnergy Power Services, Inc.
Consolidated Edison	Pickard, Lowe & Garrick
Consolidated Natural Gas	Porter & Hedges, L.L.P.
Covington & Burling	Potomac Electric Power Company
District of Columbia	Public Service Gas & Electric
DPL, Inc.	Putman, Hayes & Bartlett
Duke Energy	Raytheon
Duke Engineering & Services, Inc.	San Antonio, City of
Duke / Fluor Daniel	San Diego Gas & Electric
Duquesne Light	Schnader, Harrison, Segal & Lewis
East Coast Power	Sempra Energy
Enserch	Sewell & Riggs
FirstEnergy	Shaw, Pittman, Potts & Trowbridge
Florida Power & Light Group	Sidley & Austin
Fluor Corporation	Sithe Energies, Inc.
Foley & Lardner	Skadden, Arps, Slate, Meagher & Flom
Formosa Plastics Corporation	Sterling Chemical, Inc.
Gardere, Wynne, Sewell & Riggs	Stone & Webster Engineering, Inc.
Global Capital Finance Americas, LLC	Sullivan & Cromwell
GPU International	Susman Godfrey, L.L.P.
Haight, Gardner, Poor & Havens	Swidler & Berlin
Holland & Knight	Texas Utilities Electric Company
Houston Lighting & Power Co.	Travelers Property Casualty Corporation
Hurst Engineering	UBS Warburg Energy
Iowa Electric Light & Power Co.	United Engineers & Constructors, Inc.
IMC Fertilizer	US Generating Company
John Brown Engineers & Constructors	UtiliCorp United, Inc.
Kennedy Covington Lobdell & Hickman	Virginia Power
Kirkland & Ellis	Vorys, Sater, Seymour & Pease
Landers & Parsons	Wal-Mart
Latham & Watkins	Winston & Strawn
LeBoeuf, Lamb, Greene & MacRae	Wisconsin Public Service Corporation
LeBoeuf, Lamb, Leiby & MacRae	Worsham, Forsythe, Samples & Woolridge

June 28, 2007

Mr. Fred Giffels
Chief Executive Officer
Hawks, Giffels & Pullin (HGP), Inc.
Suite 127, PO Box 18540
Reno, Nevada 89511

Subject: Letter of Recommendation

Dear Fred:

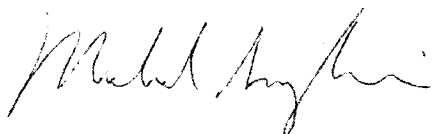
As we have embarked on a new strategic direction, I wanted to take the time to *"thank"* the entire HGP team for their outstanding work during the last twenty five years (25) supporting CMS Energy, Consumers Power and specifically the last few years for all of us CMS Enterprises. I personally want to thank you and HGP for all the support and loyalty over those years. The assessments and strategic support analysis HGP has performed for me and my staff was first rate. In addition, I appreciate the high energy and loyalty exhibited by HGP, and hard work done by you and Garth Erdmann.

During that period we utilized HGP's litigation support services. On our DIG dispute with Duke-Floor Daniel, I was amazed at how you and I were able to arrive at the exact amount settlement several years before the dispute was finalized. Had we been able to settle it at the time as we both recommended, it would have saved both sides millions in legal and expert fees. On the other litigation support work you have performed for me, I always felt that you respected our positions, and gave us honest, professional counsel and as it has become known, accurate advice in urging us to settle many of the claims that would have cost us significant time and expense had we decided to pursue full litigation with uncertain outcomes.

You also supported my evaluations of the Zirconium Recovery Project and modeling the DIG operations and economics. Before deciding to hire a consultant, one of my main motivations was to have a firm who had the necessary broad expertise and knowledge of the energy industry and could work as a team member, yet look outside the box for me. HGP possessed all of the qualities required to complete every assignment and brought a high level of energy, creativity, and dedication to the tasks and delivering a quality product on time and within budget.

Critical to the success of many of these efforts was the quality of your personnel and their ability to blend with myself and members of my staff into a "team". HGP once again proved its careful adherence to its motto *"dedicated to the pursuit of our client's success"*. I would highly recommend your firm, and you for any energy industry related consulting and litigation support assignments.

Very Truly Yours,



KMP ENERGY RESOURCES, INC.

5410 Morning Breeze
Houston, Texas 77041
(713) 856-9572
kmpresto@msn.com

February 27, 2004

Mr. Fred W. Giffels, CEO
Hawks, Giffels & Pullin (HGP), Inc.
Suite 127, PO Box 18540
Reno, Nevada 89511

Dear Mr. Giffels:

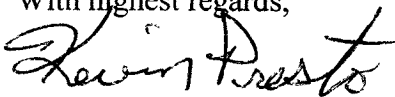
I wanted to write to say how much I have appreciated our working relationship on the many projects that we have undertaken together. I have known you and your staff for over six years and never cease to be impressed by the professional and quality service you provide. HGP has tremendous knowledge and expertise in all aspects of the energy industry. Your people provide a high energy approach to your work while producing a technically sound and accurate product.

My staff and I have been impressed with HGP's team work and ability to cut through the maze of very complex issues. HGP is unique in that it offers mitigations and pragmatic innovative solutions that address and resolve material problems with origination and generation projects. On a monitoring project of the Trojan Nuclear Plant decommissioning, HGP identified each material issue and developed the necessary mitigations which, had they been then implemented, would have saved millions of dollars for the utility.

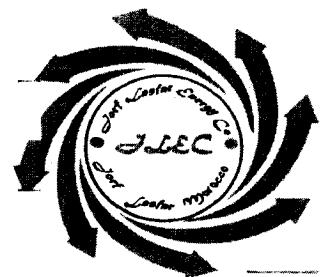
Especially noteworthy among HGP's core competencies is the unique nuclear forecasting service you have developed and continue to refine. In the power trading industry, quick and reliable data is a must. HGP's forecasts not only offer a consistently high level of accuracy, but go the extra mile to provide in-depth, expert analysis supporting the forecasts of plant operability and industry trends.

I would highly recommend Mr. Giffels and his staff to any trading organization, electrical generation owner, or energy company as the nuclear industry's premier forecasting and due diligence experts. Whether in need of a nuclear forecasting service or a firm to offer merger and acquisition technical and analytical support, the road to a successful project can be navigated with HGP's dedication to success.

With highest regards,



Kevin Presto
President



Jorf Lasfar Energy Company SCA

Adresse Postale :

Centrale Thermique de Jorf Lasfar

B.P : 99 Sidi Bouzid - El Jadida - Morocco

Tél. : 212 23. 34.53.71 - Fax : 212 23. 34.53.75

Jorf Lasfar, October 23, 2003

Mr. Fred W. Giffels, CEO
Hawks, Giffels & Pullin (HGP), Inc.
Suite 127, PO Box 18540
Reno, Nevada 89511
775-851-1532
Cell 775-219-6926

Dear Fred:

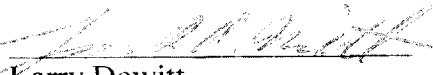
This note is long overdue. Thanks for keeping in touch with us over here in Morocco and for the HGP team's assistance on our operations risk model you helped us develop here in El Jadida, Morocco. As you know we operate and maintain a large coal-fired four (4) unit station. You quickly understood the sensitive situation we were in related to effecting electrical grid stability for the Country. The insight, teamwork and tools that HGP provided us were extremely beneficial in helping us prevent future electrical grid blackouts. We were especially impressed with HGP's teamwork approach to our staff and your technical and operations knowledge. I guess we are not the only ones who have had some black outs eh? Due to the work you and our team did we have not had any problems for over 2 years.

I want to emphasize "*the teamwork and technical expertise of HGP*" based on the way you and your team incorporated our staff in the risk development process was of particular importance in our learning of how to use the analytical risk tools you provided, and to more effectively implement further improvements. This was greatly appreciated.

Again I want to pass on our thanks to you, Jim Osborn and Jim Hawks for their invaluable assistance on this project. It was a pleasure to work with all of you. We look forward to having the opportunity to work with you and your staff again.

Keep those articles, e-mails and thoughts coming our way!

Very truly yours,


Larry Dewitt
Plant General Manager
Jorf Lasfar Energy Company

PS I heard you got stranded in Detroit on August 14th during the Midwest black outs ?
cc: Daniel Dexter
Tom Elward

June 28, 2007

Mr. Fred Giffels
Chief Executive Officer
Hawks, Giffels & Pullin (HGP), Inc.
Suite 127, PO Box 18540
Reno, Nevada 89511

Subject: 2007-Letter of Recommendation for Support to CMS Enterprises Company

Dear Fred:

Before we divest our remaining generation assets, I wanted to take the time to thank the entire HGP team for their outstanding work during the last twenty five years in support of CMS Energy, Consumers Power and specifically the in recent years for all of us CMS Enterprises (CMS E).

Further, I personally wanted to thank HGP for all the ongoing tireless support that will allow us to divest our wind portfolio. The assessments and strategic support analysis HGP has performed for us and our staff was first rate and always added "Value and insights" to our business operations. We also appreciated the high energy and loyalty exhibited by your firm and hard work performed by you and Garth Erdmann. The risk analysis and root cause outage failure work you did for us on our Jorf Lasfar Coal Fired Plant in Morocco was a stellar example of HGP's responsiveness, technical skill and business savvy with a high degree of executive competence thrown in for good measure.

When we utilized HGP's litigation support, I was amazed at how you and our Michael Sniegowski were able to arrive at the exact amount on our DIG dispute with Duke-Fluor Daniel several years before the dispute was litigated. Unfortunately it did not settle as you recommended. Had the other party been willing to settle, it would have saved both sides millions in legal and expert fees.

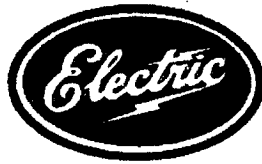
As you know, before deciding to hire a consultant to support CMS E, our main motivation was to have someone who had the necessary expertise and knowledge of the energy industry and could work as a team member, but still think outside the box for us. HGP possessed all of the qualities required to complete every assignment CMS E requested and always brought a high level of energy, creativity, and dedication to each task.

HGP's outstanding personnel are consistently team players. In addition, each job was done in a cost effective manner, and reports were promptly submitted and completed. HGP once again proved its careful adherence to its motto "***dedicated to the pursuit of our client's success***". As measure of our gratitude, I would highly recommend your firm, and you, for any energy industry related consulting and litigation support assignments.

Very Truly Yours,



BURLINGTON



DEPARTMENT

585 Pine Street • Burlington, Vermont 05401-4891
802/658-0300 • 802/865-7386 (TTY/voice) • Fax: 802/865-7400

February 4, 2002

Fred Giffels
CEO
HGP, Inc.
49 Greenland Drive
Greenville, SC 29615

RE: JOB WELL DONE

Dear Fred:

As you know Burlington Electric Department reached settlement in the sale of its equity ownership interest in the Vermont Yankee nuclear power plant. While BED held a small interest ownership in the nuclear plant, power provided from it was over 40% of Burlington's energy needs. Closure of this deal represented a multi-million dollar settlement and will assure rate stability for Burlington ratepayers well into the future.

Before I close up the boxes and mirage of technical information related to the plant sale, I want to take the time to acknowledge you and your staffs work and effort. It is not often that BED finds a consultant's work to be outstanding, but in the case of HGP this description fits.

BED is a small utility and hiring consultants often means junior analysts are assigned to serve our needs. With HGP, not only did we get the CEO (Fred Giffels), but other staff involved in the project were exemplary. BED was treated like HGP's top client even though this was a relatively small scale project for them. The level of professionalism and competency in the staff assigned to our project was stellar.

The sale of any nuclear power plant is a highly technical and complex endeavor whether through the eyes of a small or large utility. HGP was able to wade through the vast amounts of paper and financial models and called out issues to our attention. Further, HGP complemented BED's staff assigned to the project and capitalized on their understanding and misgivings with the sale. In a phrase, HGP delivered technical balance in a team work effort. The end result was a multi million dollar win for BED and rate stability for the electric users in Burlington.

Energy Efficiency
A Way of Life

Printed on Recycled Paper.


Right from the onset, HGP dove into the project like it was its own. With an extremely tight schedule to produce deliverables in a regulatory proceeding, HGP rose to the occasion. In just one week, HGP produced insightful and technical interrogatories which were probing and surfaced issues for the responders. While we anticipated a much longer timeframe to complete the project, after only a few weeks we were in a position to have meaningful negotiations with the majority interest owners.

HGP mixed technical know how with sheer common sense. The end result is a work product and guidance that all can work with. I thoroughly enjoyed working with you and your staff.

I hope to have an opportunity to work again with HGP in the future. BED truly appreciates the work you and your staff provided. If I can be of service as a reference please do not hesitate to contact me. Again thanks for all your efforts.

Sincerely,

Burlington Electric Department

A handwritten signature in black ink, appearing to read 'Patricia H. Richards', written over a horizontal line.

Patricia H. Richards
Director of Resource Planning



A Duke Energy Company

400 South Tryon Street
P.O. Box 1004
Charlotte, NC 28201-1004

R. F. Green
President & Chief Executive Officer
704 373-3384
Fax 704 382-7989

October 17, 2001

Fred W. Giffels
CEO
HGP, Inc.
49 Greenland Drive
Greenville, SC 29615

SUBJECT: Thanks for the Support

Dear Fred:

I decided it was time, after all these years, to let you know that I really appreciate the great support you and your staff have provided me and Duke over the years. HGP, Inc. never ceases to amaze me with the depth of its skills. I have been able to count on you, Donna Mullinax and the rest of your staff to be very responsive and resourceful. "*Seeing Outside of the Box*" has become an over used cliché in today's business, but that is the best way to truly describe one of your major strengths. You have helped us see beyond the expected and always delivered great results!

HGP has always provided excellent technical consulting for us in the past, but having observed HGP perform a Due Diligence Review on Duke Energy for another entity convinced us that you really know what you are doing. We were impressed from both a technical standpoint (which I have known for over 25 years) but also from an executive management and Board of Directors' perspective. HGP's Due Diligence Review methodology is both an art and a science that you have developed into the M³ (Management, Machine, and Money) process.

Recognizing your fair and objective approach, we invited HGP to work with us to enhance Duke's Due Diligence Review Process. HGP was there to support us when we put our newly enhanced Due Diligence skills to the test on a potential acquisition. The financial modeling support provided by Donna Mullinax to our financial team, help us fully understand the value of the potential acquisition. Your mitigation option analysis for this high-risk model science saved the day!

October 17, 2001

Page 2


Your versatility was also demonstrated when Duke Engineering & Services (DE&S) referred a project to you from a client on the West Coast. HGP was able to help negotiate a very complex technical contract. It's too bad that you got caught in the middle of West Coast electric power crisis and your final invoices have not been paid, but I have been assured that you will eventually collect your fees.

As a vocal supporter of the commercial nuclear industry you have acted as an intermediary between the Governor of South Carolina and Duke and kept both parties objectively appraised of issues that could impact the future safety and viability of the commercial nuclear power industry. Your pro bono work with the State has helped both Duke and the State of South Carolina.

We also appreciate the support you have provided in the resolution of several contract disputes. Again, your ability to see "*Outside of the Box*" has helped us successfully resolve several concerns before they escalated.

Thank you and the rest of HGP, Inc. for your contributions to Duke and me personally. I hope to have an opportunity to work with you and your staff again in the future. Should you need a reference in the future, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Ron F. Green".

Ron F. Green

President & Chief Executive Officer

KENNEDY COVINGTON LOBDELL & HICKMAN, L.L.P.
ATTORNEYS AT LAW

Kiran H. Mehta
704/331-7437
kmehta@kclh.com

Bank of America Corporate Center
Suite 4200
100 North Tryon Street
Charlotte, North Carolina 28202-4006
Telephone 704/331-7400
Facsimile 704/331-7598

Other Offices:
Raleigh, North Carolina
Rock Hill, South Carolina

October 5, 2000

Mr. Fred W. Giffels
HGP, Inc.
49 Greenland Drive
Greenville, SC 29615

RE: HGP, Inc.

Dear Fred:

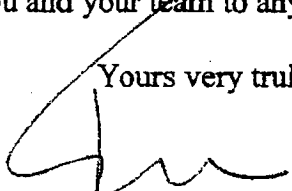
HGP, Inc. has successfully completed a number of assignments with me over the years and I want to take this opportunity to thank you for a job well done. HGP is a multi-talented firm that has assisted me as both experts and as consultants. Your ability to clarify and explain in layman's terms very complex issues and your ability to get to the heart of a matter have resulted in successful settlements in a number of the cases we have worked together, saving our clients time and money.

Your ability to train your staff to use your logical approach has resulted in an outstanding team of professionals. Your excellent staff, most notably Donna Mullinax, Dan Salter and Garth Erdmann, has assisted in damage calculations and demonstrative exhibits that have contributed to our clients' successes. I am impressed with the result-oriented approach your team has applied to each assignment. Please convey my thanks to each of them.

I also wanted to convey my appreciation for the role HGP performed as Project Director to help one of my clients complete the construction of its large industrial complex after our mediation was concluded. You were able to translate your contribution as an expert to the real world practicalities and complete the project on schedule and on budget. Now I know some experts can actually practice what they preach!

I would highly recommend you and your team to any prospective client.

Yours very truly,



Kiran H. Mehta
For the Firm



State of South Carolina

Office of the Governor

JAMES H. HODGES
GOVERNOR

Post Office Box 11829
COLUMBIA 29211

March 25, 1999

Mr. Fred W. Giffles, CEO
HGP, Incorporated
49 Greenland Drive
Greenville, SC 29615

Dear Mr. Giffles:

Thank you very much for your continued service in advising me on matters pertaining to energy issues in South Carolina. I appreciate your volunteer service on behalf of the state and our people.

I am especially interested in your thoughts and comments as they relate to various activities potentially ongoing at the Savannah River Site.

I hope you will continue to allow me and my staff to contact you regularly to solicit your advice and comments on energy policy matters here in our state.

Thank you once again for your service. I look forward to a continued working relationship.

Sincerely,

A handwritten signature in black ink that reads "Jim Hodges".

Jim Hodges
Governor

cc: Kevin Geddings



FORMOSA PLASTICS CORPORATION, TEXAS

P. O. BOX 700
201 FORMOSA DRIVE
POINT COMFORT, TEXAS 77978

DIRECT PHONE: 512/987-7560
DIRECT FAX: 512/987-7558

March 11, 1998

Mr. Fred W. Giffels, Jr.
HGP, Inc.
49 Greenland Drive
Greenville, SC 29615

Dear Fred:

Please accept my sincere congratulations and expression of appreciation to HGP, Inc. for a job well done on the Formosa - Kajima Case. We were impressed by HGP's ability to work with other experts and the attorneys to the overall benefit of the case. This included your entire firm's dedication to doing "what it took" to help other experts to prepare their presentations, along with the long hours after the court room sessions were complete.

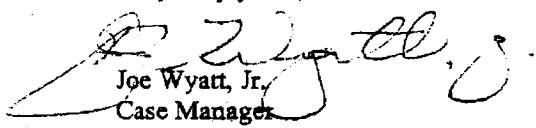
I especially would like to thank Jim Hawks and Jim Kopp for their "can-do" attitude. HGP's responsiveness to the various requirements of this case was quick, on point, and unfailing. HGP met every request. Please also convey my thanks to Jim Hawks - he did a great job rebutting Mr. Hutchisons' damages and delay in testimony. HGP's analysis and rebuttal of Mr. Hutchison's delay and disruption claim certainly made the point that his claim was without merit. In fact, the jury concurred with Jim that Mr. Hutchison's claim was the proverbial "pig-at-the-trough" that ignored Kajima's own ineffectiveness.

I also want to compliment you on Jim Kopp's performance in running our court room electronics and computer systems as well as his efforts after hours to help prepare us for the next day at trial.

Finally, I would like to acknowledge HGP's long standing commitment to Formosa through some difficult cases over the past several years. HGP, Inc. has certainly shown dedication to our success through a fair and thorough analysis and presentation of the facts.

I look forward to the opportunity to work with HGP in the future. I would be delighted to recommend your services to other potential clients. Again, many thanks to your team for a job well done.

Very truly yours,



Joe Wyatt, Jr.
Case Manager

Formosa Plastics Corp., Texas

Based on their estimate of allowable costs, their recommended costs to achieve are: TURN about \$146 million; SCUPP about \$159 million; and ORA about \$171 million. (See Table, p. 20.)

The total costs to achieve is an estimate as many costs will not be incurred until the merger is completed and savings are phased in over at least three years. Some costs may not be incurred at all.

2. Transaction Costs (Investment Banking Fees)

Pacific Enterprises employed Barr Devlin and Merrill Lynch as its investment bankers at a cost of \$16 million plus another \$1.6 million in expenses, while Enova hired Morgan Stanley at a cost of \$10.5 million plus another \$1 million in expenses. The investment bankers were paid on a flat fee basis without regard for hours worked, quality of work, innovation, or insulation of Pacific Enterprises or Enova from risk. In preparing their fairness opinions, the investment bankers relied upon information that was provided to them by Pacific Enterprises and Enova without conducting any audits or otherwise verifying the information. The investment bankers were fully indemnified against liabilities, including those arising under the Federal Securities Act relating to their engagement by applicants. Thus, the investment bankers were not at risk for their opinions about the fairness of the merger.

TURN/UCAN argue that the investment bankers' opinions amount to nothing more than enormously expensive financial analyses, not too dissimilar to the sort of analyses that are conducted in a cost of capital case. By contrast, HGP, a

nationally recognized consulting firm, rendered a highly complex opinion regarding the soundness of Enova's nuclear and other generating facilities as well as its

transmission and distribution system for only \$275,000. Furthermore, Enova's own

witnesses agreed that the fairness opinions were for the benefit of the Pacific Enterprises and Enova Boards of Directors and shareholders with only derivative benefits, if any, for ratepayers. Since the cost of the investment bankers' opinions was excessive, and since the opinions were for the benefit of the Boards of Directors and

POTOMAC ELECTRIC POWER COMPANY

1900 PENNSYLVANIA AVE., N.W.

WASHINGTON, D. C. 20068

EDWARD F. MITCHELL
CHAIRMAN OF THE BOARD
CHIEF EXECUTIVE OFFICER

December 8, 1995

To Whom It May Concern:

This letter confirms that an HGP, Inc. team led by Mr. Fred W. Giffels performed, in an excellent and efficient manner, several assignments for Potomac Electric Power Company ("PEPCO") in connection with the evaluation and negotiation of a recently-announced strategic business combination with Baltimore Gas & Electric Company ("BGE").

HGP's overall task was to conduct a wide range of engineering, technical, economic and management assessments for the purpose of advising PEPCO regarding BGE's nuclear power operations. This included on-site activities at BGE's nuclear plant which required not only technical expertise, but also interpersonal skills in dealing with the plant's management and personnel.

HGP's assignment also included extensive interaction with PEPCO's senior management and Board of Directors for the purpose of presenting the results of their assessments and answering questions regarding nuclear power issues generally and BGE's nuclear power operations in particular.

The performance of Fred Giffels and Chuck Ondash in the course of this assignment was exemplary. They demonstrated excellent abilities to quickly grasp and effectively communicate key issues of nuclear technology, sensitivity of plant costs to management and operational performance, and the broader regional and national perspectives on these issues. Their insights on the risks associated with nuclear power were acute and balanced. Their assistance in the course of the negotiation process was specific, practical and of great assistance to us.

The HGP team's comprehensive knowledge and their quick, highly responsive and efficient reactions to our needs were instrumental in our decision-making process. I would highly recommend Fred and HGP to any prospective client.



Iowa Electric Light and Power Company

March 26, 1991

Hawks, Giffels and Pullin Incorporated
2211 Norfolk, Suite 730
Houston, Texas 77098

RE: Iowa Electric Light and Power Company
Duane Arnold Energy Center(DAEC)
1990 Outage Management Support

HGP Incorporated recently assisted the newly formed DAEC Outage Management organization in preparing for, executing and evaluating Iowa Electric's 1990 refueling outage at the DAEC. I wanted to express my gratitude for HGP's and particularly Jim Hawks' work. It was a good outage from a schedule standpoint and though significant problems did arise, they were expeditiously addressed. In fact, HGP's creativity and guidance was the lynch-pin around which we developed our approach to solving problems. HGP's professionals, specifically Jim Hawks and Fred Giffels, consistently demonstrated a broad spectrum of knowledge of nuclear outage management and utility operations, in general, which greatly aided our ability to accomplish our outage objectives.

HGP's guidance was both comprehensive and persuasive as demonstrated by the INPO good practice that we received for outage status reporting which Fred and Jim both helped us develop. In addition, HGP's knowledge of computerized planning and scheduling tools directly aided us in our evaluation of the capability of our AS mainframe-based computer software to support the outage. This was a win-win outcome for the outage management and computer services organizations.

HGP also provided effective guidance on the management and integration of activities of other DAEC departments in their support of the outage. Perhaps of equal importance to the success of the effort was the ease with which the HGP staff adjusted to the Duane Arnold culture and helped change that culture to work to the new outage management requirements for the outage. I am convinced that HGP's contribution played a large role in the positive outcome of our outage. For that, I thank you.

If I can be of any assistance concerning prospective HGP clients with whom HGP would be working, please do not hesitate to have them contact me.

Sincerely,



David L. Wilson
Plant Superintendent - Nuclear

DLW/rr
cc: D. Mineck



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Areas of Practice

Practice – The exercise of our profession as technical managers, engineers, accountants, environmentalists, and analysts. Practice involves the application of knowledge and experience to a particular task. HGP's general areas of practice include:

- **Mergers And Acquisitions**
- **Planning**
- **Program And Project Management**
- **Economic Decision Modeling**
- **Technical Audits, Studies And Assessments**
- **Organization And Productivity Enhancements**
- **Dispute Resolution And Prudence Support**
- **Litigation and Regulatory Support Services**
- **Risk Analysis**
- **Energy Support Services**



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Mergers and Acquisitions

Mergers And Acquisitions – Supporting the strategic focus of our clients' needs. HGP's current areas of support include the following:

- **Due Diligence Reviews**
- **Strategic Plan Development and Implementation**
- **Negotiation / Facilitation Assistance**
- **Risk Evaluation**
- **Material Adverse Effects (MAE) Quantification, Evaluation, And Mitigation Analysis**
- **Strategic Defense Concept Development And Deployment**
- **M&A Critiques Including Benchmarking Of Competition**
- **Financial Modeling And Proforma Development Including Review Of Key Financial Performance Ratios That Impact Asset Performance**
- **Scenario Development And Presentations**
- **Asset Evaluations**
- **Target Identification Algorithms**
- **Environmental Audits**
- **Market Analysis**
- **Asset Redeployment Strategies**
- **Regulatory (State And Federal) Performance Analysis**
- **Document Management Software**



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Planning

Planning – The detailed method for formulating and focusing actions for accomplishment. Planning involves determining what needs to be done, by whom, by when and for how much to accomplish an objective. HGP's current areas of support include the following:

- **Strategic Plan Development And Implementation**
- **Short/Medium/Long Range Planning**
- **Program/Project Plan Development And Implementation**
- **Contractor/Client Transition Plans**
- **Plan Critiques Including Benchmarking Of Competition**
- **Automated Planning Software Evaluation**
- **Planning Resource Support**
- **Planning Training Program/Seminars**
- **Critical Path Method Of Analysis/Resource Allocation And Leveling, Cost-Integration Plans**
- **Plan Integration With Work Breakdown Structures And Cost**
- **Accounting Systems**
- **Scenario Development And Presentations**
- **Contract Support Services, Short And Long Term**



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Program and Project Management

Program And Project Management – Those actions necessary to accomplish the stated goals and objectives by managing directing and motivating those assigned to the project or program. The Program/Project Manager plans, organizes, staffs, directs, and controls. Evaluation and decision-making are the basis of the Program/Project management process. HGP's current areas of support include the following:

- **Outage/Turnaround And Maintenance Management Services**
- **Capital Expansion Management**
- **Feasibility Studies**
- **Contract Structuring, Negotiation And Marketing**
- **Contract Monitoring Support Services**
- **Computer Support**
- **Client To Project Representation (On-Site Engineering/Suppliers)**
- **Project Audits-Technical, Managerial And Administrative**
- **Life Cycle Costing**
- **Constructibility Reviews**
- **Cost/Benefit Analysis**
- **Cash Flow Management**
- **Organization And Project Structure**
- **Procedure And Guideline Development**
- **Interface Development And Evaluation**
- **Transition Planning (Construction/Startup-Commissioning/Operations)**
- **Project Execution Manual**
- **Damage Mitigation**
- **Change Order-Claims Analysis**



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Economic Decision Modeling

Economic Decision Modeling (EDM) – Those actions necessary to accurately reflect and evaluate the “economic viability” of a project or a decision based on financial and economic criteria. HGP has extensive experience creating, implementing, and training our clients in the application and utilization of EDM. HGP draws from disciplines of finance, accounting, economics, engineering, and business. HGP's current areas of support include, but are not limited to the following:

- **Development, Implementation, Documentation And Training**
- **Applications And Recommendations / Formal Presentations**
- **Parameter Criteria Assessment And Independent Estimate Assessment**
- **Risk Identification, Evaluation, And Mitigation**
- **Support Personnel**
- **Reviews**
- **Scenario Formulation And Reviews**

Specific Studies Include

- Commercial Nuclear Plant Economic Viability Modeling Including Economic Dispatch, Decommissioning, O&M, Capital Additions, And Externalities
- Process Plant Expansion Models
- Industrial Plant Economic Feasibility



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Technical Audits, Studies, and Assessments

Technical Services – Provide proven approaches to a variety of Technical issues. HGP has proactive professionals who can team with our clients to implement creative and cost effective solutions to technical issues. HGP's current areas of support include the following:

Audits And Inspections

- Electrical Distribution System Functional Inspections (EDSFI)
- Safety System Functional Inspections
- Process Safety Audits and Reviews
- Engineering Specification Audits
- Construction Procedure Audits
- Start-up Procedure Audits
- Operational Readiness Audits
- Maintenance Procedure Audits

Technical Reviews

- Technical Specification Reviews
- Safety Evaluation Reviews
- Calculation Reviews
- Constructability Reviews
- Operating Procedure Reviews

Studies And Evaluation

- Special Technical Evaluations
- System Enhancement Studies
- Facility Decommissioning Studies

Design Basis Reconstitution Programs

- I&C Setpoint Control Programs
- HVAC Analysis
- Design Criteria Documents
- Design Basis Documents

Design Basis Reconstitution Products

- Calculations
- Drawings
- Bid Package Preparation
- Safety Evaluation Preparation
- Preparation and Implementation of Special Tests
- Modification Support



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Organization Productivity Enhancements

Organizational Enhancements – Involve objectively evaluating the clients' business activities against the stated business objectives, the clients' organization, or part he/she wishes to evaluate. The areas most often reviewed include business objectives, key management personnel, information and organizational interfaces both formal and informal, and pertinent industry comparisons. HGP's current areas of support include, but are not limited to the following:

- **Organizational Diagnostic Evaluations**
- **Diagnostic Support Services**
- **Company Organizational Structure Reviews**
- **Indirect Productivity Improvement Programs (IPIP)**
- **Direct Productivity Improvement Programs (DPIP)**
- **Job Description Assessments**
- **Performance Appraisal Audits**
- **Work Control Methods And Benchmarking**
- **Cost Reduction Studies**



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Dispute Resolution and Prudence Support

Dispute Resolution And Prudence Support – Evaluates claims for damages resulting from delays, disruptions, acceleration, breach of contract, force majeure and lost business opportunity. Evaluations have focused on causation, concurrence, basis for damage calculations, as well as contract terms and conditions. The information associated with any litigation is often voluminous and complex. The term information includes all aspects of litigation from the parties involved, to the claims, the witnesses, the documents, the legal precedents, the judges' rulings. Command of all of this information is essential to effectively support your client.

Expert Witness Testimony

- Damage Quantification Studies
- Critical Path Analysis Using HGP's Reasonable Range Methodology
- Construction Delay and Disruption Analysis
- Operational and Outage Prudence Assessments
- Engineering and Technical Analysis
- Project and Program Management
(Cost/Schedule/Estimating/Planning Evaluation)
- Scope Change and Bid Evaluations

Technical / Consulting Assistance

- Negotiation / Settlement Strategy Development and Facilitation
- Delay and Disruption, Total Claim, Lost Business Analysis
- Technical Evaluations, Presentations, and Briefings
- Industry Comparisons-Benchmarking
- Reasonable Range Determination

Document Management / Imaging Systems

- Document Identification and Organization through DRIMS®
- Document Production Support
- Document Imaging and Retrieval System Development

Demonstrative Exhibit Development

- Teaming with Counsel's Experts to Create Exhibits Which Effectively Communicate Complex Topics Utilizing: Computer Generated and Interactive Presentations



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Litigation Support Services

Litigation Support Services – Services that are provided to support litigation practice during the discovery, trial, arbitration and / or mediation. HGP's successful document management and graphics support experience includes four of the ten largest litigations in the energy industry. HGP takes great pride in providing our clients with on-time and cost-effective solutions utilizing the latest technology, information services and customer support. Our staff also provides technical support and training to ensure that your firm continues to be successful.

- **Document, Data, and Imaging Services**

- Electronic document production and management that allows full text search ability using tools such as Folio Views and Zylmage
- Coding for keyword searching
- Electronic discovery including extracting data from electronic formats such as back-up tapes, hard drives, and CDs
- Data conversion
- OCR high speed scanning
- CD-ROM and DVD duplication
- Database design and development including web-based solutions
- Witness and issue folder setup
- Bates numbering and barcoding

- **Pre-Trial Support**

- Graphics design and production
- Audio / video conversion and video imaging
- Document review and analysis
- Modeling and animations
- Document and full-text databases
- Juror information database
- Web-based litigation support and data sharing for effective multi-office collaboration
- Utilization for trial presentation and exhibit management software such as JFS Litigator's Notebook and inData's TrialDirector Suite

- **Trial Support**

- Demonstrative exhibit preparation
- Turnkey setup and support of courtroom hardware
- Electronic presentations for opening and closing arguments
- Barcode technology for use in court
- Courtroom operators for document and graphic presentations



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Risk Analysis

Risk Analysis – Assisting our clients properly identify and apply the appropriate “risk” related methodologies and techniques to their particular business application. The scope covers insurance, safety, business, operations, development and evaluation of a single project schedule/cost/quality risk. HGP's current areas of support include:

- **Risk Mitigation Program Development**
- **Risk Mitigation Software Evaluation And Implementation**
- **Project Risk Analysis**
- **Risk Modeling**
- **Uncertainty Profiling**
- **Technical/Economic Risk Evaluation**
- **Risk Analysis Procedure Development And Training**
- **Risk Criteria Development**
- **Ranking Algorithm Development**
- **Prioritization Techniques And Analysis**
- **Risk Resource Development**
- **Potential Deviation Analysis**



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Energy Support Services

Energy Support Services – HGP often develops and joins with strategic alliances to assist clients in performing Energy Support Services to meet and exceed our Client's objectives. HGP's areas of support include the following:

- **Asset Identification, Size, Project and Transaction Conceptualization**
- **Physical Asset Evaluations (Facility Types Include: Commercial Nuclear, Hydro, Fossil (Gas Turbines, Combined Cycle, Pulverized Coal, Fluidized Bed, and Oil), Alternative Energy (Biomass, Wind), Transmission & Distribution**
 - Facility Business Modeling
 - O&M Analysis
 - Capital Project Analysis
 - Decommissioning
 - Management Information System and Technical Information System (MIS/TIS) Analysis
 - Environmental Audits / Analysis
 - Safety Compliance Analysis
 - Regulatory (State and Federal) Performance Analysis
 - Market Analysis
 - Strategic Asset Defense Concept Development and Deployment
- **Risk Evaluation**
 - Material Adverse Condition (MAC), Material Adverse Events (MAE), Identification, Quantification, Evaluation, and Mitigation Strategies
 - Risk Scenario Development and Assessment
- **Letter of Intent (LOI) or Memorandum of Understanding (MOU) Negotiations**
- **Transition Planning – Current Owner to New Owner**
- **Periodic Performance Monitoring / Oversight**
 - Board Level
 - Executive Management
- **Conceptual Planning, Estimating and Risk Identification**



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Energy Support Services (Cont.)

- **Project Management Monitoring and Controls**
 - Engineering (Capital / Expense Modifications)
 - Operations and Maintenance (O&M)
 - Planned and Forced Outages Planning and Improvement
 - Capacity Factor Improvement
 - Contract and Outsourcing Analysis
 - Staffing Levels Assessments
 - Process Controls Improvements
 - Decommissioning Studies
- **Programmatic / Process Development**
 - Technical Controls
 - Engineering
 - Operations
 - Maintenance
 - Environmental
 - Safety
 - Quality Controls
 - Business Process
 - Administration
 - Finance
- **Technical and Management Information Systems (TIS/MIS) Development**
 - Work Management System
 - Corrective Action System
 - Maintenance Planning (PM/CM)
 - Statistical Evaluations
 - Planned Outage and Forced Outage Schedule Development
 - Spare Parts Analysis
- **Dispute Resolution**
 - Independent Evaluation
 - White Paper Development
 - Negotiation / Facilitation Assistance
 - Expert Testimony
 - Demonstrative Exhibit Development
 - Reasonable Range Analysis®
 - Discovery Management



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Web site: www.HGP-Inc.com

For Additional Information:

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